GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3840
ANSWERED ON:13.12.2002
TEXTILES INFRASTRUCTURE SCHEME
A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of TEXTILES be pleased to state:

(a) the objectives of the Textile Infrastructure Scheme;

(b) the extent to which it has achieved its goal;

(c) whether the Union Government are considering to modify the features of the Textiles Infrastructure Scheme; and

(d) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) The Government has launched a new scheme `Textile Centre Infrastructure Development Scheme (TCIDS)` for plugging critical infrastructure gaps in traditional textile/apparel clusters to help the units located therein to become globally competitive.

(b) One of the major perceived benefits of TCIDS is removal of impediments to production and to facilitate improvement in quality, productivity and operational flexibility to make the textile industry of the centres globally competitive so as to face competition in domestic and international markets. Therefore, the modernisation of textile centres under the Scheme along with other measures would result in increased exports especially in the post MFA era starting from 1st January 2005.

(c) & (d) Certain State Governments have forwarded project proposals for assistance under TCIDS. Before these project proposals could be taken up, Government has recently announced modifications in the scope and funding pattern of TCIDS with a view to bringing in urgency in implementation of the Scheme. The central assistance under the scheme was earlier allowed upto 50% of the critical components of the project subject to a maximum of Rs. 20 crores for each area. Under the modified scheme, the cental assistance would be available to the extent of 100% of the critical components of the project in respect of Common Effluent Plant, improving water supply and drainage facilities and construction of crÃ¨che building for apparel units, whereas the other components would be funded on 75:25 basis between centre and states/reputed agencies concerned.

The guidelines of modified TCIDS are attached.

STATEMENT REFERRED TO IN REPLY TO PART (c) & (d) OF LOK SABHA UNSTARRED QUESTION NO.3840 FOR 13-12-

GUIDELINES OF THE REVISED TEXTILE CENTRES INFRASTRUCTURE DEVELOPMENT SCHEME (TCIDS)

1. TCIDS Scheme is a part of the drive to improve infrastructure facilities at potential textile growth centres and therefore, aims at removing bottlenecks in exports so as to achieve the target of US$ 50 billion by 2010 as envisaged in the National Textile Policy, 2000.

2. The scheme shall cover investments, which are in the nature of exigencies, or emergencies and which could not be foreseen as part of the annual plan scheme proposals. Broadly, the scheme covers and Investments required for quicker and strategic removal of bottlenecks and for general export facilitation. The investment must reflect its linkage to export promotion.

3. The Scheme would cover all the traditional textile centers such as at Tirupur, Coimbatore, Karur, Bangalore, Delhi-Noida-Gurgaon, Panipat, Ludhiana, Ahmedabad, Mumbai, Bhiwandi, Ichalkaranjee, Burhanpur, Salem-Erode, Varanasi-Mau, Meerut-Pilakhua, Surat, Solapur, Calcutta (knitting), Chennai, Cannannor, Amritsar, Baddi (Himachal Pradesh), Malegaon and Bhilwara. Besides, the Scheme also has a provision to cover new/emerging centers including powerloom clusters as well.

4. Balancing investment may, inter alia, relate to:-

I. construction of roads
II. provision of testing facilities
III. common effluent treatment plant facilities
IV. exhibition/marketing hall
V. strengthening of power supply

VI. improving water supply and drainage facilities
VII. improvement in telecommunication network and IT facilities
VIII. establishment of design centres
IX. improving warehousing facilities
X. improving facilities for movement of goods to sea ports and airports, inland container depots, air cargo complexes etc.
XI. augmentation of transport facilities especially for decongestion
XII. facilities to improve human resource
XIII. construction of creche buildings for apparel units

5. The infrastructure so developed would also be available for use by users located outside the centres so developed.

6. Under the Scheme funds can be given to Central/ State Government Departments/ Public Sector Undertakings/ Other Centra /State Government`s agencies/recognized industrial association or entrepreneur bodies for development of infrastructure directly benefiting the textile units. The fund would not be available for individual production units.

7. The balancing investment should be (other than in exceptional circumstances) not in the nature of a total project by itself but an additive or adjunct to an existing or proposed facility. The Central assistance will be subject to a maximum of Rs.20 crores for a particular centre, and it would be limited to 100% of the critical components of the project in respect of Common Effluent Treatment Plant, improving water supply and drainage facilities and construction of crÃ¨che buildings for Apparel Units.The other components shall be funded on 75:25 between centre and states/reputed agencies concerned.

8. Ministry of Textiles would cause preparation of a Master Plan identifying the critical gaps in infrastructure at textile production centers along with the blueprint for addressing them under the Scheme, which would form the basis of project desirability, through the designated nodal agencies viz. Textile Commissioner, Textiles Committee, Textile Research Associations, Textile Export Promotion Councils and Industry Associations. Nodal agencies would render assistance to the concerned State Government/UTs in formulation of suitable projects under the Scheme. Reputed agencies like TERI, IITs, Research Institutes engaged in environment studies/projects will be involved in the preparation and implementation of projects under the Scheme. In exceptional cases, Ministry of Textiles may allow consideration of the proposals received directly from such reputed agencies.

9. The actual release of funds would be on reimbursement basis after State Government/reputed agency has advanced the money from its resources. There would be no advance release of funds.

10. The investment proposals should be supported by estimates duly vetted by the Department concerned. All the proposals emanating from a particular State/ Union Territory should come through the Secretary incharge of Textiles of the concerned State/ Union Territory.

11. The benefits accruing from the proposed investment should be quantified in terms of increase in production/exports/investment to establish the project desirability.

12. It would be open for the Government of India to cause physical verification of the implementation of the project and other such enquiries as deemed fit.

13. Payment and all expenditure under the project will be subject to audit by the Comptroller and Auditor General of India.

14. The proposed investment should not be included in the Annual Plan of the department/Agency concerned.

15. The benefits accruing from the balancing investment should be quantified as far as possible and in appropriate cases in terms of attendant increase in exports and / or with help of financial parameters to establish the project economic desirability/viability.

16. The proposal would be considered by an Empowered Committee under the chairmanship of the Secretary (Textiles) and having the following members:-

(1). Advisor, Planning commission
(2). AS&FA, Ministry of Textiles
(3). Economic Advisor, Ministry of Textiles
(4). Joint Secretary, Department of Expenditure, Ministry of Finance
(5). Joint Secretary (Infrastructure), Deptt. of Commerce.
(6). Joint Secretary, Ministry of Textiles - Member Secretary.

17. A Committee would be duly constituted by the concerned State or Union Territory Government /Agency. Public Sector Undertaking to implement and monitor each of the approved proposals. A representative of Ministry of Textiles would be included in the Committee.

18. Preferably there should be a single agency for the implementation of the project. However, the common facilities created under the scheme would be established and managed by professional bodies such as Textile Research Associations, Industry Associations

etc.

19. The performance of the TCIDS as a whole will be evaluated on annual basis by an appropriate authority or agency to be decided by the Empowered Committee of the Scheme.

20. Each project should invariably contain a statement duly filled in the format provided in Attachment-I to the guidelines, and should be duly certified by the Secretary/ Director, incharge of Textiles of the State/ UT Government.

21. Outlines for submission of projects under the scheme are given in Attachment-II to the guidelines.Attachment-I

STATEMENT REGARDING COMMITMENT OF STATE GOVERNMENT/IMPLEMENTING AGENCY

1. Name of the Project

2. Proposing Organisation

3. Implementing organisation

4. Total Project cost

5. Project funding pattern
6. Proposed Shares of

i. State Government
ii. Implementing organisation
iii. Central Government
iv. Others

7.
(i) Whether the State Government and the implementing organisations are committed to provide their share ?

(ii) Whether the necessary budgetary provisions have been made ?

8. Details of the project sanctioned earlier under the TCIDS for the State Government/UT/other agencies

Name of the project
Total cost (Rs. Lacs)
Share of the (Rs. Lacs)
Amount released (Rs. Lacs)
Likely date of completion
Expenditure as on (Rs.Lacs)
Main factor behind delay in the implementation and remedial measure taken
State/UT
TCIDS scheme
State/UT
TCIDS Scheme

(Secretary/Director in-charge of Textiles)/ CEO of Implementing agency

Attachment-II

OUTLINES FOR SUBMISSION OF PROJECTS UNDER THE REVISED TEXTILE CENTRES INFRASTRUCTURE DEVEL SCHEME (TCIDS)

1. The guidelines for project formulation are intended to be indicative and not exhaustive since the proposal will have to take into account peculiar features of each project.

2. Ten copies of the project proposals may be submitted to the Director (Exports Division), Ministry of Textiles.

3. The proposal should be exhaustive and to the point. All aspects should be examined in detail and supported by data and surveys as far as possible.

4. The proposal should invariably be accompanied by an Executive Summary, which should, inter alia, contain the following details:

a) Name and address of the proposing Organisation
b) Name and address of the Implementing Organisation
c) Status of the Implementing Organisation (Central/State Government/Public Sector Undertaking/Municipality/ others)
d) Benefits accruing from the balancing investment quantified in terms of attendant increase in production/exports/investments.

9e) Scope of Work:

This should inter alia indicate the type of infrastructural facilities that need to be provided, upgraded or strengthened. The items requiring funding from the Central Government under the scheme should be clearly mentioned.

(f) Project Phasing and Implementation Schedule

The project report should indicate a realistic time frame within which the different activities would be completed. The requirement of funds should also be accordingly indicated.

(g) Financial Plan

1. Project Cost

The total project cost and the fund requirement for the entire project should be indicated item wise. All components of the project for which financing is sought under the scheme should be clearly and separately indicated.

2. Project Financing

The report should clearly indicate the financing arrangements including the mode of financing of the project and the sources of funds.

(h) Financial Viability

The report should indicate the financial viability of the project supported by sufficient data and financial parameters (Internal rate of return, Debt Service ratio, etc.)

(i) Management

The report should contain a detailed plan regarding the supervisory control for the successful implementation of the project. It would be desirable to include the users like exporters, local industry association, etc. and a representative of the Ministry of Textiles in the Board of Directors, Managing Committee etc., as the case may be.